

House File 2380 - Introduced

HOUSE FILE _____
BY UPMEYER

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing a tax credit for investment in qualified health
2 information technology, and providing a retroactive
3 applicability date.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 6337YH 82
6 pf/rj/5

PAG LIN

1 1 Section 1. NEW SECTION. 422.11V QUALIFIED HEALTH
1 2 INFORMATION TECHNOLOGY EXPENSE TAX CREDIT.
1 3 1. The taxes imposed under this division less the credits
1 4 allowed under section 422.12 shall be reduced by a qualified
1 5 health information technology expense tax credit for a
1 6 taxpayer in the amount of fifty percent of the actual amount
1 7 expended. The amount of the credit computed under this
1 8 section shall not be deducted as a business expense for state
1 9 tax purposes.
1 10 2. For the purposes of this section:
1 11 a. "Qualified health information technology expense" means
1 12 the expenditure of funds by a taxpayer for health information
1 13 technology hardware or software used directly in the
1 14 establishment and maintenance of health information
1 15 technology, but including such software only if verified as
1 16 interoperable by the department of public health.
1 17 b. "Taxpayer" means a health care provider including a
1 18 person licensed or certified under chapter 147, 148, 148A,
1 19 148C, 149, 150, 150A, 151, 152, 153, 154, 154B, or 155A to
1 20 provide in this state professional health care service to an
1 21 individual during that individual's medical care, treatment,
1 22 or confinement.
1 23 3. Any credit in excess of the tax liability is not
1 24 refundable, but the excess for the tax year may be credited to
1 25 the tax liability for the subsequent tax years until depleted.
1 26 4. An individual may claim the tax credit allowed a
1 27 partnership, limited liability company, S corporation, estate,
1 28 or trust electing to have the income taxed directly to the
1 29 individual. The amount claimed by the individual shall be
1 30 based upon the pro rata share of the individual's earnings of
1 31 the partnership, limited liability company, S corporation,
1 32 estate, or trust.
1 33 5. To receive the qualified health information technology
1 34 expense tax credit, a taxpayer shall submit an application to
1 35 the department accompanied by a certificate received from the
2 1 department of public health verifying the taxpayer's qualified
2 2 health information technology.
2 3 If the taxpayer meets the criteria for eligibility, the
2 4 department of revenue shall issue to the taxpayer a
2 5 certification of entitlement for the taxpayer's qualified
2 6 health information technology expense tax credit.
2 7 The certification shall contain the taxpayer's name,
2 8 address, tax identification number, the amount of the credit,
2 9 and tax year for which the certificate applies. The taxpayer
2 10 shall file the tax credit certificate with the taxpayer's tax
2 11 return in order to claim the tax credit. The department of
2 12 revenue, in cooperation with the department of public health,
2 13 shall adopt rules pursuant to chapter 17A to administer this
2 14 section.
2 15 Sec. 2. Section 422.33, Code Supplement 2007, is amended
2 16 by adding the following new subsection:
2 17 NEW SUBSECTION. 25. The taxes imposed under this division
2 18 shall be reduced by a qualified health information technology
2 19 expense tax credit in the same manner and subject to the same

2 20 conditions, requirements, and dollar limitations as provided
2 21 in section 422.11V.
2 22 Sec. 3. RETROACTIVE APPLICABILITY DATE. This Act applies
2 23 retroactively to January 1, 2008, for tax years beginning on
2 24 or after that date.

2 25 EXPLANATION

2 26 This bill provides a qualified health information
2 27 technology expense tax credit under the individual and
2 28 corporate income taxes.

2 29 A taxpayer who may claim the tax credit includes health
2 30 care providers including a person licensed or certified under
2 31 one of the health-related professions including but not
2 32 limited to medicine and surgery, physical therapy,
2 33 occupational therapy, physician assistants, podiatry,
2 34 osteopathy, osteopathic medicine and surgery, chiropractic,
2 35 nursing, dentistry, optometry, psychology, and pharmacy. The
3 1 amount of the credit equals 50 percent of the costs of the
3 2 qualified health information technology. Any excess credit
3 3 may be carried forward to succeeding tax years.

3 4 The bill directs the department of public health to adopt
3 5 rules specifying the requirements for qualified health
3 6 information technology and to provide for certification of
3 7 qualified health information technology.

3 8 The bill applies retroactively to January 1, 2008, for tax
3 9 years beginning on or after that date.

3 10 LSB 6337YH 82

3 11 pf/rj/5